

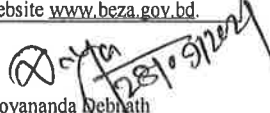
Government of the People's Republic of Bangladesh
Prime Minister's Office
Bangladesh Economic Zones Authority
www.beza.gov.bd

Memo No: 03.07.0000.014.07.058.2021-3018

Date: 28/09/2019

Request for Expression of Interest (EOI)
Financial Viability Assessment of Bangladesh Economic Zones Authority (BEZA)

Description:					
1.	Ministry	:	Prime Minister's Office		
2.	Agency	:	Bangladesh Economic Zones Authority (BEZA)		
3.	Procuring Entity Name	:	Bangladesh Economic Zones Authority (BEZA)		
4.	Procuring Entity District	:	Dhaka (BEZA HQ)		
5.	EOI for Selection of	:	A consulting firm to ascertain a sustainable financial solution for BEZA to achieve "Financial Viability"		
6.	EOI Ref. No	:	PS11-BEZA-2021		
7.	EOI Publication Date	:	02 October 2021 or before		
8.	Key Information:	:			
	Procurement Method applied	:			
9.	a) Procurement Method	:	National Competitive Bidding (NCB)		
	b) Procurement Sub- Method	:	Quality and Cost Based Selection (QCBS)		
	Funding Information:	:			
	Budget and Sources of Funds	:	BEZA Own Fund		
10.	Development Partner (if applicable)	:	None		
11.	Particular Information:	:			
	Project/Program Code	:	Not Applicable		
12.	Project/Program Name	:	Not Applicable		
13.	EOI Closing Date & Time	:	21 October 2021 at 3.30 PM		
14.	Information for Applicant:	:			
	Brief Description of the Assignment	:	<p>The service include but not limited to:</p> <p>a. Organizational financial governance, b. Competitive & comparative analysis and c. Business process reengineering.</p>		
15.	Experiences, Resources, & Delivery	:			
16.	Capacity Required	:			
	a) Qualification and Experiences	:	<p>i) Minimum 10(ten) years of general experience in the role of Consulting Firm from its years of incorporation (in case of JV, each member shall meet the requirement).</p> <p>ii) Minimum 5 (five) years specific experience and 2 (two) similar assignments within the last 5(five) years under consultancy contract related to financial viability assessment in the role of Prime Consultant (In case of JV the lead partner must have at least 1(one) assignment).</p>		
	b) Required Financial Capability	:	<p>The audited balance sheets, statements of profit & loss and annual reports for the last 3 financial years (FY 2018-19 to FY 2020-21) with 'Annual Average Turnover' of BDT 1,00,00,000/= (one crore taka) for the last 3 (three) financial years.</p>		
	c) Expected Team Composition	:	<p>Team Leader, Senior Financial Expert, Economist, Junior Financial Expert, Assignment Coordinator, Data collector.</p>		
	Contract Execution Period	:	<p>The duration of the contract is expected to be 3 (three) Months.</p>		
17.	Other Details (if applicable)	:	As stated in TOR		
18.	Association with Foreign Firm	:	Not required		
19.	Package Details	:			
20.	Ref./Package No.		Location	Indicative Start	Indicative Completion Date
	PS11-BEZA-2021		Dhaka (BEZA HQ)	1 December 2021	28 February 2022
	Procuring Entity Details:	:			
	Name & Designation of Official Inviting EOI	:	Doyananda Debnath General Manager (Planning & Development)		
21.	Address of Official Inviting EOI	:	Bangladesh Economic Zones Authority, Prime Minister's Office, Monem Business District (Level-12), 111, Bir Uttam C.R Dutta Road, Dhaka-1205, Bangladesh		
22.	Contact Details of Official Inviting EOI	:	Phone: +(88) (02) 9632463 E-mail: doyananda@yahoo.com		
23.	Particular Instruction	:	<ul style="list-style-type: none"> The Procuring Entity reserves the right to accept or reject all EOIs for any reason whatsoever; Consultant will be selected in accordance with the procedure set out in Public Procurement Act 2006 and Public Procurement Regulations 2008; This EOI notice is also available in BEZA website www.beza.gov.bd and CPTU website www.cptu.gov.bd and The list of required documents to be submitted with application and detailed Terms of Reference (TOR) are available in the website www.beza.gov.bd. 		


 Doyananda Debnath
 (Joint Secretary)
 General Manager (P&D)

**Bangladesh Economic Zones Authority (BEZA)
Prime Minister's Office**

**Terms of Reference
for
Financial Viability Assessment of Bangladesh Economic Zones Authority**

A. Background

A1. Over the years, Bangladesh has made significant progress in economic growth and poverty reduction. Rapid growth has propelled the nation from a low income to low middle-income country status in 2020.

A2. The GoB's objective is therefore to maximize the potential direct and indirect impacts through a more modern regime of Economic Zones (EZs). As such, the Government has launched an effort to develop a new EZ paradigm in Bangladesh drawing from numerous successful examples from around the world, as well as Bangladesh's own positive experience with the EPZ model. In addition, the GoB is expecting additional spillover effects to local firms stemming from new foreign direct investment and from more investment within value chains. This will in turn stimulate the procurement of more local products and produce better linkages between firms and educational institutions. A faster adaption to international environmental and social practices would also be encouraged through this new EZ policy regime. The new EZ regime provides for a new approach both in management and investment. The policy allows the Government to develop and pilot an approach that is less reliant on Government and fiscal subsidies, while leveraging comparative advantages and private sector capability, where possible.

A3. Bangladesh Economic Zones Authority (BEZA) has been established as an outcome of the Government's Bangladesh Economic Zones Act, 2010. BEZA was officially instituted by the government on 9th November 2010. BEZA aims to establish economic zones in all potential areas in Bangladesh including backward and underdeveloped regions with a view to encouraging rapid economic development through increase and diversification of industry, employment, production and export.

B. Vision and Mission of BEZA

Vision: BEZA aspires to become a sustainable development driving force and a world class investment promoter and service provider to ensure quality of life of the people.

Mission: BEZA's mission is to persistently create value for the investors by establishing attractive investment facilities in the economic zones through One-Stop service and competitive incentive packages.

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Doc Consultant
BEZA

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Bangladesh Economic Zones Authority
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C. Context of the Assessment

C1. Since its establishment, Bangladesh Economic Zone Authority has been taking initiative to establish economic zones in different parts of Bangladesh, especially in the backward areas. Last 10 year, the Governing Board of BEZA has approved 97 economic zones. Among these, 68 nos. are public economic zones and 29 nos. are private economic zones. At present 28 nos. Economic zones are under implementation stage.

C2. Initially, office expenses of BEZA have been accommodated from the allocation received by the government every year from the national budget as grant basis. The rapid growth of BEZA's activities in the last 5 years has led to opportunity for creating own income. At present office expenses, various surveys/study and development activities being carried out from BEZA's own funds. In this respect sustainability of BEZA is essential. This study has been taken to see BEZA as a resilient organization in future.

C3. During last 6 years BEZA partially developed Shreehatta EZ, Bangabandhu Sheikh Mujib Shilpa Nagar (BSMSN), Jamalpur EZ, Sabrang Tourism Park, Moheshkhali Economic Zone (Dalghata), Sonadia Eco-tourism Park, Mongla Economic Zone, Bangladesh Special Economic Zone (Japanese Economic Zone), Indian Economic Zone, Chinese Economic & Industrial Zone, Naf Toruism Park etc. and started allotment of lands. All the EZ's lands are comprised of both leasing of Khas land and acquisition of private lands (three times higher price of market price). Having remote locations of these EZs, the land development and infrastructure construction cost become soar. On the contrary, land lease tariff is fixed up much below than the cost incurred for the land parcel, no provision for construction of rental factory space, fewer service charges on utility supply. Moreover, BEZA is sourcing the development cost either from the government ADP and commercial lending at a higher interest rate. Therefore, there arises a big gap in between income and expenditure of BEZA.

D. Objective of the Study

Objective of the study is to ascertain a sustainable financial solution for BEZA to achieve "Financial Viability"

E. Scope of the Assignment

The study will be comprised of the following components:

Component 1: Organizational Financial Governance

- Legal Recognition
- Financial and Economic Assessment
- Gap Assessment



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Component 2: Competitive and Comparative Analysis

- Benchmarking Exercise
- Financial and Economic Resilient
- Risk Analysis and Sustainability

Component 3: Business Process Reengineering

- Financial & Economic Reform
- Development Approach and Sustainability
- Management and Capability Building

F. Detailed Requirements

Component 1: Organizational Financial Governance

The consultants will conduct a financial systems/governance and organization assessment based primarily on the BEZA's Organizational Profile with the following main areas:

- Legal situation
- Financial management and accounting system (Financial (income/expenditure) sources and cash management, financial accounting and financial management, Asset management, financial reporting and auditing etc.)
- Management structure (Governing and management system, Human resource management and development etc.)
- Financial assessment of development cost of EZs. Ascertain the sources of fund for EZ infrastructures along with interest and amortization of fund (if any).
- The study will cover identification of "Sources and application of Fund" of BEZA with in depth analysis of interest-bearing loan for development activities, revenue streaming annual overhead expenditure etc.
- Assess the financial performance (i.e. profit margins, return on assets, return of equity, cash flow seasonality etc.) of BEZA based on its balance sheet, profit and loss statement and cash flow analysis.
- The study will analyze present and future projection of financial transaction by covering different scenario such as base case, negative and progress.
- Assess existing agreement with investors and operations and maintenance operators (wherever applicable, especially for PPP EZs) to estimate future revenue potential for BEZA.
- Planning-Management-Evaluation systems (Organizational planning and reporting, internal control, External evaluation).

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PAC Consultant
BEZA

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Prime Minister's Office



Component 2: Competitive and Comparative Analysis

The consultants will conduct Competitive and Comparative analysis on Benchmarking Exercise, Financial and Economic resilient and Sustainability minimum of 6 competitors (national, regional & global):

- Component 2 is comprised of: i) a benchmarking exercise to identify the organization's key competitive and comparative advantages, ii) an organizational assessment to identify the target sector and iii) Sustainability assessment considering future demand forecast.
- Comparative assessment of development cost of EZs (National/Regional/Global).
- Comparative statement among EZs and EPZs by detailing unit cost of land acquisition, land development, infrastructure construction; annual revenue income, overhead expenditure etc.
- Analyze the impact of interest on loan, non-income generating investment on profitability of EZs/SEZs under stipulated land tariff and service charges for a 20-year assessment.
- Carry out historical assessment of revenue and expenses to comprehend the financial performance over the 5 years. The assessment should identify the components of revenue which is driving the business and major cost centers. Benchmark the revenue and cost head of peer organizations (based on data available in public) to identify scope of efficiency.
- Provide analytical features of sustainable profitability of EZs/SEZs either by taking interest free loan or by taking development grant in aid or by enhancing present land tariff and service charge.

Component 3: Business Process Reengineering

The consultants will recommend specific guideline regarding Financial & Economic Reform and Management and Capacity Building of BEZA. The organizational Business Process Reforming Step will entail the following activities:

- **To-Be processes** – Provide a detailed study of successful organizational business processes including the roles and responsibilities of institutional structures and individual functionaries - vertically at all the proposed levels of administration, and horizontally across the proposed other key cross-functional units.
- **Gap/Risk analysis** – Analyse performance, structures and requirements of current organizational business processes and the redefined (improved) processes, point out the benefits as well as possible changes that could impact other aspects of the organizational functions and system.

Organizational Business Process Reengineering – map and document the transformation process using appropriate business process reforming tools, methods and techniques. Identify the best practices for adoption with details of alternatives and



their suitability. Conduct a thorough gap analysis and propose the appropriate organizational business process reforming tools or process mining to fulfil the process.

- **Action plan** – The consultant will facilitate the development of an Action Plan which clearly defines, a step-by-step manner, the scale-up, approach and methodology. The Action Plan will be one consolidated document, which shall include tactics, activities and operational goals to be implemented with specified time frames, detailed implementation approach/schedule, anticipated outcomes, risk mitigation plans, and related financial and other resource estimates, such as detailed cost estimation and timeline.
- **Change Management and Capacity Building** – The consultant working with BEZA is expected to facilitate the design a viable and detailed change management and capacity building strategy to be executed in a manner that embed in the organization the benefits of the business process reforming.

G. Expertise Required

G1. The firm should have following capacities:

- Wide knowledge and experiences, more than 10 years in financial management and organization governance;
- Extensive professional experience in financial management and organizational assessment at least 5 years;
- The firm should have adequate financial ability;
- Highly developed communication skills, including the preparation of high quality documents and the delivery of presentations;
- Excellent command of English language both verbal and written;

G2. Required Key Experts

The multi-disciplinary team members should comprise with the following educational qualifications, experiences and competencies:

Part A: Key Expert

SN	Position	Qualification	MM	Experience
1	Team Leader	At least Master's degree in Accounting and/or Finance or related fields;	3	<ul style="list-style-type: none"> • Minimum 20 years general experience in consultancy/ professional services. • Minimum 15 years specific experience in the similar field.
2	Senior Financial Expert	A post-graduate degree in Accounting and/or Finance or a related discipline	3	<ul style="list-style-type: none"> • Minimum 20 years general experience in consultancy/ professional services.

Proc. Consultant
BEZA

Shahjuti Barua
Deputy Manager
Bangladesh Economic Zones Authority
Prime Minister's Office



Terms of Reference for Financial Viability Assessment of BEZA

SN	Position	Qualification	MM	Experience
				<ul style="list-style-type: none"> • Minimum 15 years specific experience in the similar field.
3	Economist	At least Master's degree in Economics or related fields;	3	<ul style="list-style-type: none"> • Minimum 15 years general experience in consultancy/professional services. • Minimum 10 years specific experience in the similar field.
4	Jr. Financial Expert	Master's Degree in Accounting and/or Finance or a related discipline	3	<ul style="list-style-type: none"> • Minimum 10 years general experience in consultancy/professional services. • Minimum 5 years specific experience in the similar field.

Part B: Non-Key Expert

SN	Position	Qualification	MM	Experience
1	Assignment Coordinator	Master Degree	3	<ul style="list-style-type: none"> • Minimum 7 years working experience in general.
2	Data Collector – (2 nos.)	Graduate in any discipline	3	<ul style="list-style-type: none"> • Minimum 5 years general experience in the similar position.

H. Timeframes and Reporting


All the study must be completed within a **3-month time period**. The following table identifies key deliverables and timeframes for the Study.

SN	Component /Activity	Deliverables	Timeline
1	Submission of Inception Report	Inception Report (10 copies) Presentation	Within two weeks after signing contact agreement
2	Submission of Draft Report	Draft study Report (10 copies)	End of the 2 nd month
3	Workshop on draft study findings	PowerPoint presentation of key findings	End of the 2 nd month
4	Submission of Final Report	Final Report (15 copies) Presentation	At the end of the 3 rd month

*N. B: The consultant will submit the reports, presentation and analysis in workable format.

I. Facilities and Equipment

Available materials, data, reports and documents relating to the study will be provided to the consulting firm.



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 Deputy Manager
 Bangladesh Economic Zones Authority
 Prime Minister's Office



J. Mode of Payment

Payment shall be made according to the following schedule:

- a. 10% of the agreed contract amount will be paid after submission and acceptance of Inception Report
- b. 40% of the agreed contract amount will be paid after submission and acceptance of Draft Report
- c. 20% of the agreed contract amount will be paid after completion of workshop
- d. 30% of the agreed contract amount will be paid after submission and acceptance of Final Report

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